

Condensed Consolidated Interim Financial Statements

OpSens Inc.

Nine-month periods ended May 31, 2021 and 2020
(unaudited)

OpSens Inc.

Nine-month periods ended May 31, 2021 and 2020

Table of contents

Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss).....	1
Condensed Consolidated Interim Statements of Changes in Equity	2-3
Condensed Consolidated Interim Statements of Financial Position	4
Condensed Consolidated Interim Statements of Cash Flows.....	5
Notes to the Condensed Consolidated Interim Financial Statements.....	6-18

OpSens Inc.

Condensed Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)

(in Canadian dollars) (unaudited)

	Three-month periods ended May 31,		Nine-month periods ended May 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Revenues				
Sales	9,213,407	6,630,417	26,342,284	21,877,069
Other	19,486	-	56,128	-
	9,232,893	6,630,417	26,398,412	21,877,069
Cost of sales	3,809,205	2,986,168	11,733,794	10,074,501
Gross margin	5,423,688	3,644,249	14,664,618	11,802,568
Operating expenses				
Administrative	1,722,170	1,301,629	4,678,943	4,024,852
Sales and marketing	2,315,852	1,637,025	5,458,226	7,321,827
Research and development	1,590,244	1,410,817	4,170,110	4,129,522
	5,628,266	4,349,471	14,307,279	15,476,201
Other income	(121,097)	(800,754)	(721,401)	(800,754)
Financial expenses	470,883	43,917	979,502	328,437
Income (loss) before income taxes	(554,364)	51,615	99,238	(3,201,316)
Current income taxes expense	16,110	-	34,814	-
Net income (loss)	(570,474)	51,615	64,424	(3,201,316)
Other comprehensive income				
<i>Items that may be reclassified subsequently to net income (loss)</i>				
Net changes in unrealized gain on translation of foreign operations (Note 2)	14,018	-	14,377	-
Comprehensive income (loss)	(556,456)	51,615	78,801	(3,201,316)
Basic and diluted net earnings (loss) per share (Note 6)	(0.01)	0.00	0.00	(0.04)

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

OpSens Inc.

Condensed Consolidated Interim Statements of Changes in Equity

Nine-month period ended May 31, 2021

(in Canadian dollars) (unaudited)

	Common shares	Share capital	Reserve – Stock option plan	Accumulated other comprehensive income – Foreign operations translation	Deficit	Total
	(number)	\$	\$	\$	\$	\$
Balance as at August 31, 2020	90,280,317	54,768,369	3,823,514	-	(43,245,021)	15,346,862
Common shares issued in connection with a public bought deal offering (Note 5a)	15,972,222	26,624,000	-	-	-	26,624,000
Common shares issued pursuant to the stock option plan (Note 5a)	563,000	867,602	(263,739)	-	-	603,863
Stock-based compensation costs	-	-	329,163	-	-	329,163
Other comprehensive income – Net changes in unrealized gain on translation of foreign operations (Note 2)	-	-	-	14,377	-	14,377
Net income	-	-	-	-	64,424	64,424
Balance as at May 31, 2021	106,815,539	82,259,971	3,888,938	14,377	(43,180,597)	42,982,689

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

OpSens Inc.

Condensed Consolidated Interim Statements of Changes in Equity

Nine-month period ended May 31, 2020

(in Canadian dollars) (unaudited)

	Common shares		Total	Share capital	Reserve – Stock option plan	Deficit	Total
	Issued	Subscribed					
	(number)	(number)	(number)	\$	\$	\$	\$
Balance as at August 31, 2019	90,180,317	51,149	90,231,466	54,709,401	3,409,390	(40,678,055)	17,440,736
Impact of adopting IFRS 16	-	-	-	-	-	76,838	76,838
Common shares issued pursuant to the stock option plan (Note 5a)	100,000	(51,149)	48,851	58,968	(24,171)	-	34,797
Stock-based compensation costs	-	-	-	-	359,510	-	359,510
Net loss and comprehensive loss	-	-	-	-	-	(3,201,316)	(3,201,316)
Balance as at May 31, 2020	90,280,317	-	90,280,317	54,768,369	3,744,729	(43,802,533)	14,710,565

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

OpSens Inc.

Condensed Consolidated Interim Statements of Financial Position

(in Canadian dollars) (unaudited)

	As at May 31, 2021	As at August 31, 2020
	\$	\$
Assets		
Current		
Cash and cash equivalents (Note 7)	38,778,079	10,884,019
Trade and other receivables	5,364,055	4,041,080
Government assistance receivable	40,000	428,601
Tax credits receivables	60,581	105,677
Inventories	6,162,556	6,505,094
Prepaid expenses	684,300	578,893
	51,089,571	22,543,364
Property, plant and equipment	2,928,569	3,229,787
Intangible assets	1,680,203	1,622,310
Right-of-use assets (Note 4)	4,481,132	4,512,978
	60,179,475	31,908,439
Liabilities		
Current		
Accounts payable and accrued liabilities	4,130,418	3,545,323
Warranty provision (Note 8)	81,732	153,138
Deferred revenues	71,472	48,951
Current income taxes payable	22,948	-
Current portion of long-term debt (Note 3)	2,747,745	1,460,654
Current portion of lease liabilities (Note 4)	513,636	447,169
	7,567,951	5,655,235
Long-term debt (Note 3)	5,305,129	6,607,911
Lease liabilities (Note 4)	4,323,706	4,298,431
	17,196,786	16,561,577
Shareholders' equity		
Share capital (Note 5a)	82,259,971	54,768,369
Reserve – Stock option plan (Note 5b)	3,888,938	3,823,514
Accumulated other comprehensive income (Note 2)	14,377	-
Deficit	(43,180,597)	(43,245,021)
	42,982,689	15,346,862
	60,179,475	31,908,439

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Approved by the Board

Signed [Jean Lavigueur], director

Signed [Louis Laflamme], director

OpSens Inc.

Condensed Consolidated Interim Statements of Cash Flows

(in Canadian dollars) (unaudited)

	Three-month periods ended		Nine-month periods ended	
	May 31,		May 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Operating activities				
Net income (loss) for the period	(570,474)	51,615	64,424	(3,201,316)
Adjustments for:				
Depreciation of property, plant and equipment and right-of-use assets	396,794	395,526	1,157,591	1,161,585
Amortisation of intangible assets	59,561	48,026	169,577	95,763
Loss on disposal of property, plant and equipment	80,868	12,188	146,383	14,566
Stock-based compensation costs	160,896	96,472	329,163	359,510
Interest expense	164,485	172,962	453,913	430,204
Unrealized foreign exchange loss (gain)	118,216	(36,307)	187,384	(52,694)
Changes in non-cash operating working capital items (Note 7)	426,095	(1,022,851)	(56,301)	(1,742,345)
	836,441	(282,369)	2,452,134	(2,934,727)
Investing activities				
Acquisition of property, plant and equipment	(281,173)	(154,597)	(589,748)	(706,369)
Additions to intangible assets	(14,202)	(209,352)	(219,629)	(525,036)
Interest received	32,361	13,246	52,391	134,588
	(263,014)	(350,703)	(756,986)	(1,096,817)
Financing activities				
Increase in long-term debt, net of transaction costs	-	-	842,180	244,206
Reimbursement of long-term debt	(694,293)	(133,510)	(886,881)	(348,180)
Payment of lease liabilities	(98,729)	(102,255)	(334,656)	(315,500)
Proceeds from issuance of shares (Note 5a)	206,113	-	29,353,863	34,797
Transaction costs attributable to the issuance of common shares (Note 5a)	(229,717)	-	(2,126,000)	-
Interest paid	(187,921)	(174,451)	(477,296)	(521,871)
	(1,004,547)	(410,216)	26,371,210	(906,548)
Effect of foreign exchange rate changes on cash and cash equivalents	(103,489)	36,307	(172,298)	52,694
Increase (decrease) in cash and cash equivalents	(534,609)	(1,006,981)	27,894,060	(4,885,398)
Cash and cash equivalents – Beginning of period	39,312,688	10,977,565	10,884,019	14,855,982
Cash and cash equivalents – End of period	38,778,079	9,970,584	38,778,079	9,970,584

Additional information on the condensed consolidated interim statements of cash flows is presented in Note 7.

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Nine-month periods ended May 31, 2021 and 2020

(in Canadian dollars) (unaudited)

1. Incorporation and Description of Business

OpSens Inc. (OpSens or the Company) is incorporated under the Business Corporations Act (Quebec). OpSens focuses mainly on physiological measurement such as Fractional Flow Reserve (FFR) and Diastolic Pressure Ratio (dPR) in the coronary artery disease market and also supplies a wide range of miniature optical sensors to measure pressure and temperature to be used in a wide range of applications that can be integrated in other medical devices. OpSens offers an advanced optical-based pressure guidewire (OptoWire) that aims at improving the clinical outcome of patients with coronary artery disease. OpSens is also involved in industrial activities through its wholly-owned subsidiary OpSens Solutions Inc. (Solutions). Solutions develops, manufactures and installs innovative fibre optic sensing solutions for critical and demanding industrial applications. The Company's head office is located at 750, du Parc-Technologique Blvd., Quebec City, Quebec, Canada, G1P 4S3.

2. Basis of Preparation

Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International *Accounting Standards Board* (IASB) applicable to the preparation of interim financial statements, including International Accounting Standards (IAS) 34, *Interim Financial Reporting* and using the same accounting policies and methods of computation as the most recent annual financial statements, except for the changes in accounting policies described below. These condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended August 31, 2020, which have been prepared in accordance with IFRS as issued by the IASB.

Assessment of COVID-19 Impact

Because of the economic and business uncertainties caused by the spread of COVID-19 virus, the Company reviewed all the critical accounting estimates, assumptions and judgements that are made by management during the preparation of the condensed consolidated interim financial statements. No significant change is necessary following this review for these condensed consolidated interim financial statements in comparison with the consolidated financial statements for the year ended August 31, 2020. However, because of the uncertain and evolving situation associated with the spread of COVID-19, new information could emerge after the approval date of the condensed consolidated interim financial statements. This could lead to the necessity for the Company to review the critical accounting estimates, assumptions and judgements prospectively over the next periods. Management continues to monitor and evaluate the situation and its impact on the Company's activities.

Thus far, the Company has had no manufacturing, supply chain, or distribution disruptions caused by the spread of COVID-19 virus. However, it is not possible to reliably estimate the length, severity and long-term impact the global pandemic may have on the Company's financial results, business conditions and cash flows because of the uncertainties about future developments.

Changes in Accounting Policies

The accounting policies and basis of measurement applied in these condensed consolidated interim financial statements are the same as those applied by the Company in its consolidated financial statements for the year ended August 31, 2020, except as disclosed below.

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Nine-month periods ended May 31, 2021 and 2020

(in Canadian dollars) (unaudited)

2. Basis of Preparation (continued)

Changes in Accounting Policies (continued)

Basis of Consolidation

The condensed consolidated interim financial statements include the accounts of the Company and those of its wholly-owned subsidiaries. All intra-group transactions, balances, revenues and expenses are fully eliminated upon consolidation until they are realized with a third party.

Foreign Operations

Each subsidiary determines its own functional currency. The items included in its financial statements are therefore measured in this functional currency. For entities that have a functional currency that differs from the Company, their financial statements are translated in Canadian dollar as follows: assets and liabilities are translated at the end-of-period exchange rate and revenues and expenses are translated at the monthly average exchange rates in effect during the period. If exchange rates fluctuate significantly, revenues and expenses are instead translated using the exchange rates at the dates of the transactions. All resulting exchange differences are recognised in other comprehensive income as *Net changes in unrealized gain on translation of foreign operations*.

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Nine-month periods ended May 31, 2021 and 2020

(in Canadian dollars) (unaudited)

3. Long-term Debt

	As at May 31, 2021	As at August 31, 2020
	\$	\$
Contributions repayable to Canada Economic Development (CED), without interest (effective rate of 13.50%), repayable in 20 equal and consecutive quarterly instalments of \$15,000, maturing in April 2021 without payment from April to December 2020 inclusive due to a nine-month moratorium.		
Debt balance	-	30,000
Imputed interest	-	(400)
	-	29,600
Contributions repayable to Canada Economic Development (CED), without interest (effective rate of 12.00%), repayable in 59 equal and consecutive monthly instalments of \$3,333 and a final payment of \$3,353, maturing in July 2024 without payment from April to December 2020 inclusive due to a nine-month moratorium.		
Debt balance	126,674	143,339
Imputed interest	(13,654)	(20,513)
	113,020	122,826
Term loan, bearing interest at prime rate plus 0.25%, secured by a movable hypothec on the universality of the Company's present and future property, plant and equipment and intangible assets, payable in 48 monthly instalments of \$18,750, maturing in November 2020 without principal payment from March to August 2020 inclusive due to a six-month moratorium. Amounts received are net of transaction costs of \$9,000.	-	56,236
Term loan, bearing interest at prime rate plus 0.25%, secured by a movable hypothec on the universality of the Company's present and future property, plant and equipment and intangible assets, payable in 48 monthly instalments of \$4,500, maturing in August 2022 without principal payment from March to August 2020 inclusive due to a six-month moratorium. Amounts received are net of transaction costs of \$2,160.	67,348	107,624
Amounts to be carried forward	180,368	316,286

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Nine-month periods ended May 31, 2021 and 2020

(in Canadian dollars) (unaudited)

3. Long-term Debt (continued)

	As at May 31, 2021	As at August 31, 2020
	\$	\$
Amounts carried over	180,368	316,286
Term loan, bearing interest at prime rate plus 2.00%, secured by a movable hypothec on the universality of the Company's present and future property, plant and equipment and intangible assets, maturing in February 2024 without principal payment for a 24-month period following the signature of an agreement in March 2019. The principal is payable in 36 monthly instalments of \$194,444. Amounts received are net of transaction costs of \$87,468.	6,382,468	6,947,412
Term loan, bearing interest at prime rate plus 0.25%, secured by a movable hypothec on the universality of the Company's present and future property, plant and equipment and intangible assets, maturing in June 2024 without principal payment for a 12-month period following the receipt of the first tranche of the loan in October 2019. The second and last tranche of the loan for \$242,180 has been received in January 2021. The principal is payable in 44 monthly instalments of \$10,938 and a final payment of \$10,386. Amounts received are net of transaction costs of \$5,250.	401,991	245,704
Term loan bearing interest at 6.66% payable in 111 monthly instalments of \$8,070, maturing in September 2025.	488,047	559,163
Term loan, bearing interest at prime rate plus 1.00%, secured by a movable hypothec on the universality of the Company's present and future property, plant and equipment and intangible assets, maturing in October 2024 without principal payment for a 9-month period following the receipt of the loan in February 2021. The principal is payable in 36 monthly instalments of \$16,667.	600,000	-
	8,052,874	8,068,565
Current portion	2,747,745	1,460,654
	5,305,129	6,607,911

4. Leases

On February 15, 2021, the Company signed an amendment to a lease for a building to extend the lease term by three years. At the remeasurement date of the lease liability, the Company used the present value of the remaining lease payments on a discounted basis, using its incremental borrowing rate, which was 3.45%. The amount of the remeasurement of the lease liability of \$533,583 has been recognised as an adjustment to the right-of-use assets. Moreover, during the three-month period ended May 31, 2021, the carrying amount of the lease liabilities and the right-of-use assets has been decreased by an amount of \$107,183 due to the remeasurement of the lease liabilities.

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Nine-month periods ended May 31, 2021 and 2020

(in Canadian dollars) (unaudited)

5. Shareholders' equity

a) Share Capital

On February 25, 2021, the Company completed a public bought deal offering for aggregate gross proceeds of \$28,750,000. In connection with the offering, the Company issued a total of 15,972,222 common shares at a price of \$1.80 per common share.

Transaction costs of the offering include underwriting fees of \$1,725,000 and other professional fees and miscellaneous fees of \$401,000 for total transactions costs of \$2,126,000.

During the nine-month period ended May 31, 2021, following the exercise of stock options, the Company issued 563,000 common shares (48,851 common shares for the nine-month period ended May 31, 2020) for a cash consideration of \$603,863 (\$34,797 for the nine-month period ended May 31, 2020). As a result, an amount of \$263,739 was reallocated from *Reserve – Stock option plan* to *Share capital* in shareholders' equity (\$24,171 for the nine-month period ended May 31, 2020). Also, no subscribed common shares have been issued (51,149 subscribed common shares for the nine-month period ended May 31, 2020).

b) Stock Options

The changes in the number of stock options granted by the Company and their weighted-average exercise prices, for the nine-month periods ended May 31, 2021 and 2020, are as follows:

	Nine-month period ended May 31, 2021		Nine-month period ended May 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
		\$		\$
Balance – Beginning of year	6,596,375	1.01	7,004,000	1.04
Options granted	1,582,500	1.42	1,175,000	0.75
Options exercised	(563,000)	1.07	(100,000)	0.72
Options expired	(299,375)	1.20	(242,875)	0.80
Options cancelled	(345,375)	0.99	(1,150,375)	0.93
Balance – End of period	6,971,125	1.09	6,685,750	1.02

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Nine-month periods ended May 31, 2021 and 2020

(in Canadian dollars) (unaudited)

5. Shareholders' equity (continued)

b) Stock Options (continued)

The fair value of the options granted issued was estimated using the Black-Scholes option pricing model using the following assumptions:

	Nine-month period ended May 31, 2021	Nine-month period ended May 31, 2020
Risk-free interest rate	Between 0.17% and 0.76%	Between 0.45% and 1.67%
Volatility	Between 55.81% and 71.82%	Between 46.43% and 64.05%
Dividend yield on shares	Nil	Nil
Expected life	0 to 5 years	0 to 5 years
Weighted share price	\$1.42	\$0.75
Weighted fair value per option at the grant date	\$0.61	\$0.27

In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Any changes in the subjective input assumptions can affect the fair value estimate.

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Nine-month periods ended May 31, 2021 and 2020

(in Canadian dollars) (unaudited)

6. Net Earnings (Loss) per Share

The table below presents a reconciliation between the basic net earnings (loss) and the diluted net earnings (loss) per share:

	Three-month periods ended		Nine-month periods ended	
	May 31,		May 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Net income (loss) attributable to shareholders				
Basic and diluted	(570,474)	51,615	64,424	(3,201,316)
Number of shares				
Basic weighted average number of shares outstanding	106,707,339	90,280,317	96,056,488	90,275,572
Diluted weighted average number of shares outstanding	106,707,339	90,326,453	97,997,192	90,275,572
Amount per share				
Basic and diluted net earnings (loss) per share	(0.01)	0.00	0.00	(0.04)

Stock options are excluded from the calculation of the diluted weighted average number of shares outstanding when their exercise price is greater than the average market price of common shares or when their effect is antidilutive. The number of stock options excluded from the calculation because their exercise price is greater than the average market price of common shares is presented below:

	Three-month periods ended		Nine-month periods ended	
	May 31,		May 31,	
	2021	2020	2021	2020
Stock options	-	6,233,875	1,884,750	5,708,252

For the three-month period ended May 31, 2021, the diluted amount per share was the same amount as the basic amount per share, since the dilutive effect of stock options was not included in the calculation; otherwise, the effect would have been antidilutive. Accordingly, the diluted amount per share for these periods was calculated using the basic weighted average number of shares outstanding. For the three-month period ended May 31, 2020, the dilutive effect is about 46,136 units for stock options for which their exercise price is lesser than the average market price of common shares.

For the nine-month period ended May 31, 2021, the dilutive effect is about 1,940,704 units for stock options for which their exercise price is lesser than the average market price of common shares. For the nine-month period ended May 31, 2020, the diluted amount per share was the same amount as the basic amount per share, since the dilutive effect of stock options was not included in the calculation; otherwise, the effect would have been antidilutive. Accordingly, the diluted amount per share for these periods was calculated using the basic weighted average number of shares outstanding.

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Nine-month periods ended May 31, 2021 and 2020

(in Canadian dollars) (unaudited)

7. Additional Information on the Condensed Consolidated Interim Statements of Cash Flows

	Three-month periods ended		Nine-month periods ended	
	May 31,		May 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
<i>Changes in non-cash operating working capital items</i>				
Trade and other receivables	(117,774)	776,186	(1,322,975)	819,659
Government assistance receivable	65,000	(800,754)	388,601	(800,754)
Tax credits receivable	81,202	292,024	45,096	207,866
Inventories	(337,863)	(1,456,481)	342,538	(1,058,552)
Prepaid expenses	(65,513)	9,286	(105,407)	(270,592)
Accounts payable and accrued liabilities	789,701	208,759	621,783	(612,161)
Warranty provision	6,488	(32,014)	(71,406)	(27,811)
Deferred revenues	(4,609)	(19,857)	22,521	-
Current income taxes payable	9,463	-	22,948	-
	426,095	(1,022,851)	(56,301)	(1,742,345)
<i>Supplementary information</i>				
Unpaid acquisition of property, plant and equipment	38,976	18,951	38,976	18,951
Unpaid additions to intangible assets	37,308	52,304	37,308	52,304
			As at May 31, 2021	As at August 31, 2020
			\$	\$
<i>Cash and cash equivalents</i>				
Cash			2,960,500	3,251,374
Short-term investments			35,817,579	7,632,645
			38,778,079	10,884,019

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Nine-month periods ended May 31, 2021 and 2020

(in Canadian dollars) (unaudited)

8. Warranty provision

During the normal course of business, the Company replaces defective parts under warranty provision offered at the sale of the products. The term of the warranty is generally 12 months. The following table summarizes changes in warranty provision:

	Nine-month periods ended May 31,	
	2021	2020
	\$	\$
Balance – Beginning of year	153,138	134,460
Additional provision recognized	56,801	23,500
Unused amount reversed during the period	(46,515)	-
Amount used during the period	(81,150)	(51,311)
Effect of foreign exchange differences	(542)	-
Balance – End of period	81,732	106,649

This provision estimate is based on past experience. The actual costs that the Company may incur, as well as the moment when the parts should be replaced, can differ from the estimated amount.

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Nine-month periods ended May 31, 2021 and 2020

(in Canadian dollars) (unaudited)

9. Segmented Information

Segmented Information

The Company is organized into two segments: Medical and Industrial.

Medical segment: in this segment, OpSens focuses mainly on physiological measurement such as FFR and dPR in the coronary artery disease market and also supplies a wide range of miniature optical sensors to measure pressure and temperature to be used in a wide range of applications that can be integrated in other medical devices. This also includes other revenues related to its optical sensor technology.

Industrial segment: in this segment, OpSens develops, manufactures and installs innovative fibre optic sensing solutions for critical and demanding industrial applications.

The principal factors employed in the identification of the two segments reflected in this note include the Company's organizational structure, the nature of the reporting lines to the President and Chief Executive Officer and the structure of internal reporting documentation such as management accounts and budgets.

The same accounting policies are used for both reportable segments. Operations are carried out in the normal course of business and are measured at the exchange amount, which approximates prevailing prices in the markets.

	Three-month period ended May 31, 2021			Three-month period ended May 31, 2020		
	Medical	Industrial	Total	Medical	Industrial	Total
	\$	\$	\$	\$	\$	\$
External sales	8,520,376	712,517	9,232,893	6,124,237	506,180	6,630,417
Internal sales	36,042	91,726	127,768	-	13,643	13,643
Gross margin	4,906,684	517,004	5,423,688	3,398,525	245,724	3,644,249
Depreciation of property, plant and equipment and right-of-use assets	342,323	54,471	396,794	328,139	67,387	395,526
Amortisation of intangible assets	56,371	3,190	59,561	46,127	1,899	48,026
Other income	-	121,097	121,097	657,094	143,660	800,754
Financial expenses (income)	351,012	119,871	470,883	(30,592)	74,509	43,917
Current income taxes expense	16,110	-	16,110	-	-	-
Net income (loss)	(566,769)	(3,705)	(570,474)	103,030	(51,415)	51,615
Acquisition of property, plant and equipment	250,720	40,014	290,734	160,733	-	160,733
Additions to intangible assets	33,423	-	33,423	200,616	27,120	227,736
Segment assets	57,409,323	2,770,152	60,179,475	29,318,370	2,206,203	31,524,573
Segment liabilities	16,099,694	1,097,092	17,196,786	16,332,401	481,607	16,814,008

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Nine-month periods ended May 31, 2021 and 2020

(in Canadian dollars) (unaudited)

9. Segmented Information (continued)

	Nine-month period ended May 31, 2021			Nine-month period ended May 31, 2020		
	Medical	Industrial	Total	Medical	Industrial	Total
	\$	\$	\$	\$	\$	\$
External sales	23,706,840	2,691,572	26,398,412	19,935,575	1,941,494	21,877,069
Internal sales	108,132	179,595	287,727	-	57,388	57,388
Gross margin	12,749,308	1,915,310	14,664,618	10,638,622	1,163,946	11,802,568
Depreciation of property, plant and equipment and right-of-use assets	1,030,331	127,260	1,157,591	968,052	193,533	1,161,585
Amortisation of intangible assets	161,122	8,455	169,577	86,676	9,087	95,763
Other income	445,506	275,895	721,401	657,094	143,660	800,754
Financial expenses	653,782	325,720	979,502	94,873	233,564	328,437
Current income taxes expense	34,814	-	34,814	-	-	-
Net income (loss)	(581,622)	646,046	64,424	(3,110,584)	(90,732)	(3,201,316)
Acquisition of property, plant and equipment	504,172	41,047	545,219	645,686	28,748	674,434
Additions to intangible assets	207,685	19,785	227,470	536,977	35,895	572,872
Segment assets	57,409,323	2,770,152	60,179,475	29,318,370	2,206,203	31,524,573
Segment liabilities	16,099,694	1,097,092	17,196,786	16,332,401	481,607	16,814,008

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Nine-month periods ended May 31, 2021 and 2020

(in Canadian dollars) (unaudited)

9. Segmented Information (continued)

Information by geographic segment

	Three-month periods ended		Nine-month periods ended	
	May 31,		May 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Revenue by geographic segment				
United States	3,552,305	2,260,691	9,706,591	8,409,666
Japan	1,638,755	1,934,165	5,745,345	5,048,412
Canada	857,260	559,732	2,447,747	1,917,404
Other*	3,184,573	1,875,829	8,498,729	6,501,587
	9,232,893	6,630,417	26,398,412	21,877,069

* Comprised of revenues generated in countries for which amounts are individually not significant.

Revenues are attributed to the geographic segment based on the clients' location. Non-current assets, which include property, plant and equipment, intangible assets and right-of-use assets, are mainly located in Canada. Non-current assets located in other countries are not significant.

During the three-month period ended May 31, 2021, revenues from two clients from the Medical's reportable segment represented individually more than 10% of the total revenues of the Company, i.e. 20% and 18% (29% and 22% for the three-month period ended May 31, 2020).

During the nine-month period ended May 31, 2021, revenues from two clients from the Medical's reportable segment represented individually more than 10% of the total revenues of the Company, i.e. 22% and 19% (24% and 23% for the nine-month period ended May 31, 2020).

OpSens Inc.

Notes to the Condensed Consolidated Interim Financial Statements

Nine-month periods ended May 31, 2021 and 2020

(in Canadian dollars) (unaudited)

10. Related Party Transactions

Key management personnel, having authority and responsibility for planning, directing and controlling the activities of the Company, comprise the Executive Chairman, the Chief Executive Officer, the Chief Financial Officer and the President of OpSens Solutions Inc. Compensation of key management personnel and directors during the three-month and the nine-month periods ended May 31, 2021 and 2020 were as follows:

	Three-month periods ended May 31,		Nine-month periods ended May 31,	
	2021	2020	2021	2020
	\$	\$	\$	\$
Short-term salaries and other benefits	320,048	258,416	900,897	792,990
Option-based awards	65,306	29,736	108,026	130,844
	385,354	288,152	1,008,923	923,834

The compensation of key executives is determined by the Human Resources and Compensation Committee, taking into consideration individual performance and market trends.

11. Approval of Condensed Consolidated Interim Financial Statements

The condensed consolidated interim financial statements were approved by the Board of Directors and authorized for issue on July 12, 2021.